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ΑΝΑΚΟΙΝΩΣΗ ΓΙΑ ΤΟΝ ΤΥΠΟ • INFORMAZIONE ALLA STAMPA • MEDEDELING AAN DE PERS**

Brussels, 11 March 1987

**MR DE CLERCQ WARNS THE US AUTHORITIES
NOT TO YIELD TO PROTECTIONIST PRESSURES
IN THE TEXTILE SECTOR**

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In a letter to Mr Clayton Yeutter, the United States' Trade Representative, Mr Willy De Clercq, Member of the Commission with special responsibility for External Relations and Commercial Policy, has expressed concern at the textiles bill tabled in the American Congress on 19 February.

The bill would impose a global quota on imports of textile and clothing products into the United States. This quota, which would apply for an indefinite period but be subject to revision after ten years, would limit the annual growth of US imports of textile and clothing products to 1% of their 1986 level.

Mr De Clercq pointed out that "if this bill were to be adopted it would fundamentally change the way the world textile trade has been conducted in the last 25 years" and would call into question the recently negotiated Extension Protocol to the Multifibre Arrangement. It would also "have inevitable and far-reaching negative effects on the entire free-world trading system, particularly on the work undertaken in the Uruguay Round." The bill, Mr De Clercq went on "would violate the Gatt rights of all suppliers of textiles...impose permanent quotas on these products without any demonstration of injury, and would provide for totally inadequate compensation for any trade losses."

If the bill were adopted, Mr De Clercq warned the American authorities, "the Community would be obliged to adapt its textile trade policy to prevent trade diversions and to retaliate against US products".

Finally, Mr De Clercq reminded Mr Yeutter that according to the latest figures, EEC imports of textiles and clothing from the US increased by 45% in 1986 compared with 1985. The Community was importing more and more textile and clothing products from developing countries, particularly from the dominant countries (Hong Kong, South Korea and Taiwan), whose exports to the Community last year increased between 30 to 40%.

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BACKGROUND

The aim of the "textile and apparel Trade Act of 1987" is to impose a permanent global quota, based on the 1986 level of US imports, on all textile and clothing products, including non-rubberized footwear, regardless of whether or not these products have been subject to previous restrictions. The bill therefore affects suppliers from developed countries, such as the EEC and Canada, as well as those from developing countries.

US imports of textiles and clothing would not be allowed to increase annually by more than 1% of their 1986 level and footwear imports would be frozen at their 1986 level for the same period. The quota would be imposed for an indefinite period, with a revision clause after 10 years.

The President would be able to grant compensation to suppliers affected by these quotas; this would involve a very small reduction in customs duties for the products in question. In the case of textiles and clothing, which at present bear an average duty of 18.2% ad valorem, the reduction would be no more than 1.8% and would be introduced gradually over a period of 5 years.

American textile policy

The USA has negotiated bilateral voluntary restraint agreements for textiles and clothing with 39 countries. Under these agreements 1 300 quotas, of which 117 are new quotas imposed in 1986, restrict American textile and clothing imports.

The 1986 agreements involve stricter measures for the dominant countries than previous accords, and for the first time some of them include protective measures covering silk blends, flax and ramie.

The Community's textile policy

The Community has 27 bilateral agreements under the MFA. In addition, there are autonomous quotas for Taiwan and preferential arrangements with Morocco, Tunisia, Egypt, Turkey and Yugoslavia.

Fewer MFA based agreements were negotiated in 1986 than in 1981 and 25% of existing restrictions were abolished. The latest agreements provide for more generous growth rates than previous accords, up to 7% for certain countries and categories. The administrative provisions as a whole are more flexible than those in previous agreements.

EEC Imports from the USA

9 months 1985 - 51 800 t
+ 36%
9 months 1986 - 70 500 t

all MFA products

11 months 60 000
+ 45%
87 000

EEC exports to the USA

9 months 1985 - 143 200 t
- 0.5%
1986 - 142 500 t